

the marketing ROI report

return on marketing investment (ROMI) news, views & reviews



in this issue

FEATURE: [The Seven Dirty Words of Marketing Performance](#)

ROMI IN PRACTICE: [Experimental Marketing – are you ready for the unforeseeable?](#)

READING LIGHT: [Market Modeling, the new business Gesso](#)

ROMI ROUNDUP: [Datapoints from the world of Marketing ROI](#)

Marketing ROI Free Sample * Webcast *****

Guy R. Powell with DemandROMI speaks on learning how to prove and improve your ROMI efforts (and advance your career) all while staying focused on your most important asset – your customer!

[Listen now](#)

FEATURE

September 2005



The Seven Dirty Words of Marketing Performance

Simple words and phrases to get a marketers' blood boiling.

George Karlin's routine "The Seven Words You Can't Say on Television" was memorable because of its simplicity. If you want to know

those seven words, you can certainly Google them. Well, I came up with my own list as they apply to marketing performance.

1. Data – This is definitely at the top of the list. Everyone has a love/hate relationship with their data. It's like a drug the more you have the more you want. Yet, few companies actually invest in marketing data to be able to prove and improve their marketing performance. And Market Research is usually the area that gets cut first.

2. Budgeting – A close second on the list. Marketers never have enough budget to do all they want to do. Preparing for budget meetings is excruciating. At the end of the budget season, coming out without blood loss is the exception. Without valid marketing metrics marketers cannot defend their budget positions. Instead of building a budget to meet corporate objectives, marketing simply gets an arbitrary 6% of sales or 2% more than last year.

3. Creativity Stifling – We can't use metrics to manage the business of marketing. It will stifle our creativity. We need to be free to explore in the inner crevices of our minds. Being held accountable will stifle us.

calendar

**October 20th
New York, NY**

Measuring and Improving Marketing Effectiveness, a One-Day Marketing ROI and Metrics Workshop

[Information and online registration](#)

**November 3rd
Dallas, TX**

Measuring and Improving Marketing Effectiveness, a One-Day Marketing ROI and Metrics Workshop

[Information and online registration](#)

**December 1st
Las Vegas, NV**

Measuring and Improving Marketing Effectiveness, a One-

4. Six Sigma – Most companies that have gone through this exercise stopped at marketing's door. Reducing variance in the output of marketing is just not possible. What is missing is the culture of continuous improvement.

5. Merger – A merger by any other name would smell as sweet. A merger is never really a merger. There is always a winner and a loser. Those marketers that haven't perfected their metrics, regardless of the tenor of the merger will be scurrying to the job boards.

6. Statistics – The sheer mention of the word can get those eyes glazing over. Statistical or econometric modeling has become a strong tool to manage the marketing mix for many companies. Just don't ask a marketer to explain how it works. But if you want to get a chuckle, try using heteroskedasticity in a sentence.

7. The Deck – Marketers will go running at the thought of an oncoming deck, especially if it's over 250 slides. The data held within is critical to successfully understanding the market and the category, but did the type have to be so small?

No question, this is a subjective list of dirty words when it comes to talking about marketing performance. If you have a few you want to add, drop us a line at newsletter@demandROMI.com.

[▲ back to top](#)

ROMI IN PRACTICE



Experimental Marketing – are you ready for the unforeseeable?

The term brings up scary thoughts of missed opportunities and endless budget wrangling. How can we take advantage of new marketing channels when we haven't yet tapped out the opportunities right in front of us?

It used to be that you could hang a sign out on your door and customers would flock to your store. It got a little bit competitive so we reacted with lower prices. We differentiated. We added value in a way that our competition couldn't. Then we went back to the sign and improved the messaging. We then started offering real value. We did some simple direct marketing. We looked at brand marketing and the first TV ad was born. Now it's complex. There are a lot of balls to juggle and the Internet just doubled the number of marketing options staring us in the face.

How do we justify a risky medium?

Day Marketing ROI and Metrics Workshop
[Information and online registration](#)

DemandROMI ROMI-ifies at EIMC

DemandROMI speaks at Electrical Industry Marketing Conference on Return on Marketing Investment: The marketer's imperative for the decade.
[click here](#)

DemandROMI to ROMI-nate business marketers at ISBM

In association with the PennState Smeal College of Business Institute for the Study of Business Markets (ISBM), DemandROMI will provide a 2-day ROMI workshop to help business marketers improve their Return on Marketing Investment starting Sept. 13th.
[click here](#)

reading light

[FREE](#)
[DOWNLOAD](#)

Do you know how Gesso can help drive new business?

Market modeling is key to pulling the right levers in your business. A number of modeling tools can support marketing executives to drive more revenue at the same cost and risk. Find out which method is right for you. And you might find out what sculptors knew all along.



As marketing managers, we need a way to justify our spending in a risky medium with relatively uncertain returns. Yet we built our first website. We got more sophisticated and tried some banner advertising. We weren't sure it was working but we had click-throughs off the charts. We tried search engine marketing and our click-throughs went even higher.

In each case we experimented. We fought and justified the expenditures in any way we could. 'The competition was beating us'. 'We had to be there. If we're not there we won't be seen as a player'. We got the money approved. It was taken out of somewhere, ad hoc maybe out of some discretionary line item in the budget. It wasn't planned, but we needed to experiment and we did it very informally. We didn't know what results to expect but we did it anyway. If we knew the exact returns for every other marketing activity we knew what the opportunity cost was and yet we still experimented.

Are you ready?

And we know there will always be some activity that will be different, unknown and risky that might just give us the leg up on our competition. We need to be ready.

Formalize the process – we gotta do it! As marketers we need to formalize the process. Why waste time arguing for money after the fact, when we can set up a line item now to smooth the process? What experimental marketing activities will you do this year? Will you launch a blog, a webinar or a podcast? We know something unforeseen will come up that will require funding. We gotta do it. So let's start with it now and put a placeholder in the budget for experimentation. Let's set aside money now so we can have some freedom to take advantage of the unforeseen.

If you have any thoughts on this we'd like to know. Please contact us at newsletter@demandROMI.com.

romi roundup

Datapoints from the world of Marketing ROI

Only 10% of respondents reported a meaningful relationship between their finance or strategic planning department and their marketing department. A recent Association of National Advertisers study exploring marketing accountability had some mediocre results for marketing's ability to measure marketing ROI.

66.5% of respondents said measuring marketing ROI is important or very important, yet 59.5% of respondents reported being dissatisfied with their company's ability to measure marketing ROI.

There's still a lot of work to be done.

Source: BtoB Magazine, August 8th, 2005, ANA explores marketing accountability.

This Marketing ROI report is published by [DemandROMI](http://DemandROMI.com). All inquiries should be directed to newsletter@DemandROMI.com.

© Copyright 2005 DemandROMI. DemandROMI, ROMI Framework, ROMI Culture, ROMI Continuum and "where marketing generates revenue" are trademarks of DemandROMI. Other trademarks referenced herein are acknowledged.